

## 2016 TANF Accuracy Review Process QA Examples and Key Points

### Statewide Targeted Reviews

### Updated 10-1-16

#### Wages and salaries:

Prospective eligibility and budgeting can also be used for stable income, income that can be prorated or annualized.

Prospective eligibility and budgeting is also used for clients who leave the filing group because of domestic violence and it is also used for benefit groups when a new person is added to the benefit group in the payment month, after the branch is notified that the person is a household member.

To arrive at reasonably anticipated income, the client and the worker jointly determine the anticipated income to be counted. Workers will count only income that is reasonably certain to be available. However, some income is considered available even when it is not received in the budget month (e.g., converted, averaged, and annualized income.)

There is no overpayment based on incorrectly anticipated information unless the client withheld information or provided false information. No supplement is issued based on incorrectly anticipated information.

#### Using actual income in the initial month (**The initial month is the first month of the certification**)

In the initial month, actual income is only used if the income comes from a new or terminated source, or if the previous ongoing income is significantly different from current ongoing income.

A job or income source is considered new if the individual will receive their first payment in the initial month. If the individual has received their first payment prior to the initial month, the income source is considered ongoing.

**Example 1:** Oliver is applying for TANF on June 5. He states that he has started working and will receive his first check on June 20. Since he will be receiving his first check in the initial month of his certification, his job is considered "new" and actual income should be used.

**Example 2:** Priscilla is applying for TANF on September 1. She recently started working and received her first check on August 31. Since she received her first check prior to her initial month, her job is considered ongoing income in September.

Actual income is not used for self-employment or periodic income.

**Example 3:** Terminated income: Destiny applies for TANF on July 11. She was working full time and received her final check in July for \$300. Since it is a terminated source, her actual income is used for July and removed for August.

**Example 4:** New source of income: Brady comes in to apply for TANF on July 20. He states that he has started a new job. He received a partial check in July for \$250, and his ongoing income will be \$1500. TANF would be opened in July based off his actual income, then he would be sent 10-day notice to close for being over income.

**Example 5:** Annualized income: Connor is self employed as a landscaper. His taxes show that he makes \$48,000 per year and he anticipates that amount to continue. However, from November to February, he receives no income. He applies November 2. He has no income in November. Since his income is not a new or terminated source of income and his ongoing income is consistent, actual income is not used in the initial month. His ongoing income calculation is  $\$48000/12=\$4000$ . This is over the income standard for his family and his request for TANF is denied using a basic decision notice.

**Example 6:** Periodic income: Darby receives \$1800 every January, April, July and October from her tribe (note that we are looking at quarters for calculation of income). Her income is considered periodic and her ongoing income is calculated at  $\$1800/3=\$600$  per month. She comes in on August 2 and applies for TANF for herself and one child. Since her ongoing income is over the income standard ( $\$1800/3=\$600$ ), her income source not a new or terminated source and her ongoing calculation is consistent, she is denied for being over income using a basic decision notice.

**Example 7:**

Employed clients with low but consistent income: Katie is applying for TANF for herself and her two children on July 15. She works consistently and receives \$300 every two weeks. In July, she will receive two checks totaling \$600 (\$300x2). Her ongoing income is  $\$300 \times 2.15 = \$645$ . Since her ongoing income is over the countable income standard, she would be denied for being over income for TANF.

Income is not available if any of the following is true:

1. The income is wages withheld by an employer as a general practice, even if in violation of the law;
2. The income is paid jointly to the client and other people and the others do not pay the client their share;
3. The income is received by a member of the financial group after they have left the household. Count only the income the person received while they were residing in the household;
4. The client is a victim of domestic violence, the client's abuser controls the income and pursuing the income would put the client or the client's children at risk

**Converting stable income**

In order to determine prospective income, stable income should be converted as follows: 4.3, 2, 2.15 or monthly amount.

**Averaging income**

To arrive at the average amount, first determine if the income history is representative of income the family will receive during the redetermination period.

**Example**

Brody is working and paid every two weeks. His hours vary by the availability of work. He brings in four paychecks and states that these checks are representative of what he will receive.

1/3	\$215
1/17	\$240
1/31	\$320
2/14	\$100
Total	\$875

Calculation:  $\$875 / 4 = \$218.75$  (Total income/number of pay periods used) = average check per pay period.

$\$218.75 \times 2.15 = \$470.31$

\$470.31 is the prospective income amount

If income history is not representative, the client and the worker jointly determine the anticipated amount of income that the family will receive during the redetermination period.

**Anticipating variable income**

When a client has income that varies monthly, it can be budgeted prospectively by using anticipated income.

If their weekly hours in the past month do not represent the number of hours they will work in the future, use the weekly hours that the client would work in the months of the redetermination period. Document the reason for the change in hours, especially when the weekly hours are significantly different from the past. Calculate the weekly income by multiplying the hourly wage by the average number of hours, plus tips or commissions, if any, that the client may receive. Multiply that amount by 4.3 to arrive at a monthly income amount.

**Example:**

Jay works 25 hours a week at \$9.90 per hour and receives about \$50.00 per week in tips.  $\$9.90 \text{ per hour} \times 25 \text{ hours per week} = \$247.50 \text{ per week}$ .  $\$247.50 \text{ per week} + \$50.00 \text{ in tips} = \$297.50 \text{ per week}$ .  $\$297.50 \text{ per week} \times 4.3 = \$1279.25$ .

### **Periodic income**

*Periodic income* is income received on a regular basis (but not monthly) such as quarterly, semiannually or annually. Periodic income is averaged over the applicable period unless someone in the filing group is working under a JOBS plus agreement. If someone in the filing group is working under a JOBS plus agreement, the income is excluded.

**Example:** Carlos receives \$1500 every quarter in countable tribal income. To determine the monthly income amount divide the periodic income amount by the number of months that is covered. The calculation would be  $\$1500/3=\$500$  per month.

**ELI:** The new Exit Limit Increase is designed to lessen the benefit cliff impact on families and allow them to gradually phase off TANF when parents become employed.

A TANF benefit group that has countable earned income, is eligible for an Exit Limit Increase as used in OAR [461-155-0030](#) in the following situations:

1. An open TANF case with income to determine if the case is over the Exit Limit Increase countable income limit; or
2. Restoring a TANF case within 30 days of closure when the case closed with earned income received by a member of the benefit group.

ELI serves as both the countable and adjusted income limits for the above two case types.

**The Exit Limit Increase chart is not to be used at initial eligibility.**

Countable Income Limit - Exit Limit Increase (ELI)	
Number in Need Group	Amount
1	\$678
2	\$864
3	\$1012
4	\$1242
5	\$1442
6	\$1666
7	\$1846
8	\$2060
9	\$2186
10	\$2408
+1	+220

**Example:** Jason and his two children are TANF recipients of \$506 a month. He reports he has started working at Coco Nuts. He turned in employer statement saying that Jason is working 20 hours per week at \$10.00 an hour and earns a total of \$860.00 a month. Since Jason is part of the TANF benefit group and has earned income, the worker will need to check the new Exit Limit Increase Countable chart and determine if his earnings are less than \$1,012. Jason's income is less than the ELI. Once the 50 percent deduction is allowed and the computer counts \$430.00, he will remain eligible for TANF with a new GNT amount of \$76.00.

**Example:** Shane and his child are TANF recipients of \$432 a month. Shane reports that he started working at the Walking Factory and reports the "Big 3." He will earn \$9.75 an hour at 40 hours per week and his first pay check is the 10th of the following month. The worker calculates that Shane's monthly gross income will be \$1677 and he is over the Exit Limit Increase of \$864.00. Since he reported the "Big 3" and his first pay date is the 10th of next month, the worker will close TANF the end of next month.

Exit Limit Increase is only for individuals in the *benefit group*. If the TANF *benefit group* reports someone has moved into the home with income, the calculation to determine eligibility is based on the countable income limit (not the Exit Limit Increase).

**Example:** Jason and his two children receive TANF. In April, he calls to report he is no longer employed. The following month he calls to report his wife Amy has moved into the home and she is working. The agency verifies Amy earns \$900 per month. Since Amy was not part of the original TANF benefit group, the worker will use the countable income limit to determine eligibility. Based on the countable income limit of \$795 for a family of four, the household is over income. The household is not eligible for the Exit Limit Increase since wife was not part of the benefit group. Timely notice would be sent to close the TANF case.

The new Exit Limit Increase (**ELI**) and the No Adult Standard (**NAS**) codes will have to be coded on all cases with an EML or SLF coding.

At Initial Eligibility **The initial month is the first month of the certification**

Workers will need to calculate Earned Income (EML) or Self-Employment (SLF) income for TANF. This is a manual calculation:

Countable: 100% EML or SLF and 100% Unearned income

Adjusted: 50% EML or SLF and 100% Unearned income

Then compare the total to the appropriate standard chart for coding on UCMS.

**Example:** Brian is applying for TANF with his son. He works at Target earning \$300.00 per month. The worker will need to determine if Brian's income meets the countable and adjusted limit for a family size of 2 on the Adult Standard Chart or TANF Calculator. The worker determines that the countable income for 2 is \$499 and Brian's earnings of \$300 is less, so the worker can now look at the adjusted limit of \$416. The worker will use 50% of Brian's earned income which is \$150. Brian is under the adjusted as well and since he met all other TANF eligibility the worker will code UCMS with:

Brian as an 'AD' in grant code with c/d ELI  
and n/r EML C 300.00

**Example:** Amber is applying for TANF with her two children. She is employed at Target and earning \$300 per month. Amber has received TANF more than 60 months and does not meet any reasons for an extension. The worker will need to determine if Amber's income meets the countable and adjusted limit for a family size of three on the No Adult Standard Chart or TANF Calculator. The worker determines that the countable income for three is \$410 and Amber's earnings of \$300 is less, so the worker can now look at the adjusted limit of \$334. The worker will use 50 percent of Amber's earned income which is \$150. Amber is under the adjusted as well and since she met all other TANF eligibility the worker will code UCMS with:

Amber as a 'NO' in grant code with c/d NAS  
and n/r EML C 300.00

**Example:**

*Ambian is applying for TANF with her five daughters. She is self employed as a massage therapist. She turns in her tax documents and states that her income is consistent. Ambian's taxes shows that she grosses \$10,000 a year. The worker determines Ambian's monthly gross is \$833.33. Per the One or More Adult Standard Chart, Ambian's monthly gross is less than the countable income limit of \$1060. The worker will use 50% of Ambian's self-employment which is \$416.66. Ambian is under the adjusted as well and since she meets all other TANF eligibility the worker will code UCMS with:*

*Ambian as an 'AD' in grant code with c/d ELI*

*and n/r SLF C 833.33*

Ongoing Eligibility

Workers will be able to code **ELI** or **NAS** on cases with EML or SLF and the computer will do the calculation.

✓ **Only code ELI or NAS on the X payee**